

# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration 500 West Temple Street, Room 713, Los Angeles, California 90012 (213) 974-1101 http://ceo.lacounty.gov Board of Supervisors HILDA L. SOLIS First District

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Interim Chief Executive Officer

"To Enrich Lives Through Effective And Caring Service"

December 16, 2014

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

PATRICK @AWA
ACTING EXECUTIVE OFFICER

11 December 16, 2014

LEASE AMENDMENT - OFFICE OF THE ASSESSOR 6120 BRISTOL PARKWAY, CULVER CITY (SECOND DISTRICT) (3 VOTES)

### **SUBJECT**

A seven-year lease amendment for the Office of the Assessor to provide continued use of 30,507 square feet of office space and 120 on-site parking spaces.

#### IT IS RECOMMENDED THAT THE BOARD:

- 1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
- 2. Approve and instruct the Mayor to sign the seven-year lease amendment with U.S. REIF SIC Bristol Culver, LLC (Lessor) for the Office of the Assessor to occupy 30,507 square feet of office space and 120 on-site parking spaces located at 6120 Bristol Parkway, Culver City, at an initial annual rental cost of \$1,043,340. The program cost is approximately 34 percent offset from other governmental entities, and 66 percent is net County cost.
- 3. Authorize the Interim Chief Executive Officer and the Assessor to implement the project. The lease amendment will be effective upon approval by the Board, but no sooner than June 1, 2015.

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### PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County has occupied the facility since April 17, 2000. The current lease will expire on May 31, 2015, however, we are proactively processing the lease amendment now to avoid losing the facility to a competitor that is proposing to purchase the property from the current landlord to utilize it as an owner-user. This would require the County to vacate the property at the end of their leasem term or soon thereafter. The Assessor's Office (Assessor) has requested a lease amendment for seven years to continue housing the West District at this location.

The Assessor has their headquarters in downtown Los Angeles, four district offices, one regional office, and a public service satellite location. The district offices are responsible for assessing and maintaining records for residential, commercial, industrial buildings, and businesses within their geographical boundaries. The Assessor is a direct service program providing public services to taxpayers, such as information regarding property tax issues for both residential and commercial properties. The office has frequent visits from taxpayers in need of assistance with interpretation of the Revenue and Taxation Code and questions related to assessments, real property, as well as personal property tax bills.

The facility is centrally located in Culver City to properly serve the Assessor's clientele in the West Los Angeles regional area. The Assessor District offices are most effective when they are located in the geographical area of their clients, as taxpayers visit the offices for assistance on complex tax issues and appraisers must conduct field visits to properly assess real property under construction and gather information on complex valuations under appeal to provide fair assessments to real and personal property owners. The Assessor and the Chief Executive Office (CEO) have determined that the West District Office serves the communities of Malibu, Playa Del Rey, Pacific Palisades, Westchester, West Los Angeles, Culver City, Santa Monica, Beverly Hills, Inglewood, West Hollywood, and portions of the City of Los Angeles and unincorporated areas between downtown and the coast. The facility is accessible by freeway and bus routes. This location will continue to provide a central and appropriate location which is consistent with the County's Facility Location Policy adopted by the Board on July 24, 2012.

The program was approved for 31,027 square feet to accommodate 125 employees; however, the County was only able to renew the existing 30,507 square foot facility due to budgetary considerations. The proposed renewal will eliminate the need to relocate the program to another facility, and thus avoid incurring costs for Tenant Improvements (TIs), furniture, telecommunications, low voltage requirements, relocation expenses, and the disruption of business operations for this revenue producing department.

The proposed lease amendment will continue to provide adequate office space and parking in an optimal location for the Assessor West District. Although the commercial real estate market in this area has increased significantly, the lease renewal will provide a cost-savings benefit to the County by avoiding a relocation, when considering that comparable facilities in the area command similar rental rates.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, and operations and strong fiscal management to support timely delivery of customer-oriented and efficient public services. The proposed lease amendment supports this goal by providing an office in the community it serves, to increase effectiveness and enhance customer service, through easy access to quality information. The proposed lease amendment is in conformance with the Asset Management Principles as

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outlined in Attachment A.

### FISCAL IMPACT/FINANCING

The proposed lease amendment will provide the County uninterrupted use of 30,507 square feet of office space and 120 on-site parking spaces for an initial modified-gross service base rent of \$86,945 per month, or \$1,043,340 annually, i.e. \$2.85/\$34.20 per square foot per month/year. Included in the rent is the provision for new paint and minor improvements provided by the Lessor. Attachment B is an overview of the provisions of the lease.

This is a modified-gross lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy, with the exception of utility charges.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2014-15 CEO Rent Expense budget and will be billed back to the department. Sufficient funding is included in the Assessor's FY 2014-15 Final Adopted Budget to cover the projected current lease costs. Additional net county cost funding will be requested in the FY 2015-16 budget process and future years to meet the increased lease cost. The Assessor is a revenue generating department, and pursuant to SB2557, administrative expenses incurred by the Assessor which are allocable to cities and special districts are reimbursable from those entities. The Assessor indicates that about 34 percent of the costs associated with the subject lease will be offset from other governmental entities and 66 percent net County cost.

### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment contains the following provisions:

- A seven-year lease commencing upon approval by the Board, but no sooner than June 1, 2015.
- A modified-gross basis whereby the Lessor is responsible for the operational and maintenance costs associated with the premises, and the County is responsible for utilities.
- Preparation of premises provision providing paint and minor improvements.
- A cancellation provision allowing the County to cancel any time after 60 months upon 150 days prior notice.
- Annual rental rate adjustments of 3 percent.

The CEO, Real Estate Division staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could suitably accommodate this requirement, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$31.20 and \$36.60 per square foot per year on a modified-gross service basis, i.e., excluding utilities. Thus, the base annual rental rate of \$34.20 per square foot per year on a modified-gross basis for the proposed lease represents a rate within the market range for the area. Attachment C shows County-owned or leased facilities available for the program.

The Department of Public Works inspected this facility and found it suitable for County occupancy. The leased premises will be in compliance with the American with Disabilities Act and building codes. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

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A child care center is not feasible for the department in the proposed leased premises.

### **ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendment will adequately provide the necessary office space for this County requirement, and the Assessor concurs with the recommendation.

### CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return three originals of the executed lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

SACHI A. HAMAI

**Acting Chief Executive Officer** 

SAH:RLR:CMM CEM:TS:FC:gw

**Enclosures** 

c: Executive Office, Board of Supervisors Auditor-Controller County Counsel Assessor

## OFFICE OF THE ASSESSOR 6120 BRISTOL PARKWAY, CULVER CITY Asset Management Principles Compliance Form<sup>1</sup>

1.	<u>Oc</u>	cupancy	Yes	No	N/A				
	Α	Does lease consolidate administrative functions? <sup>2</sup>			Х				
	В	Does lease co-locate with other functions to better serve clients? 2			х				
	С	Does this lease centralize business support functions? <sup>2</sup>			Х				
	D	Does this lease meet the guideline of 200 sq. ft. of space per person? <sup>2</sup> 244 square feet per person. This office has experienced a reduction in staff compared to five years ago.		х					
2.	<u>Ca</u>	pital							
	Α	Is it a substantial net County cost (NCC) program? 66% NCC	Х						
	В	Is this a long term County program?	Х						
	С	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		Х					
	D	If no, are there any suitable County-owned facilities available?		Х					
	Е	If yes, why is lease being recommended over occupancy in County-owned space?			Х				
	F	Is Building Description Report attached as Attachment C?	X						
	G	Was build-to-suit or capital project considered?		Х					
2.	Poi	Portfolio Management							
	Α	Did department utilize CEO Space Request Evaluation (SRE)?	Х		T				
	В	Was the space need justified?	Х						
	С	If a renewal lease, was co-location with other County departments considered? Not at this time.		x					
	D	Why was this program not co-located?			х				
		The program clientele requires a "stand alone" facility.							
		2. X No suitable County occupied properties in project area.							
		3 No County-owned facilities available for the project.							
		4 Could not get City clearance or approval.							
		5 The Program is being co-located.							
	E	Is lease a full service lease? Modified gross (net utilities) as with existing lease. Landlord will not incurr this expense.		Х					
	F	Has growth projection been considered in space request?		Х					
	G	Has the Dept. of Public Works completed seismic review/approval?	Х						
		<sup>1</sup> As approved by the Board of Supervisors 11/17/98							
		<sup>2</sup> If not, why not?							

# FISCAL IMPACT/FINANCING OVERVIEW OF LEASE CHANGES

6120 Bristol Parkway, Culver City	Existing Lease	Proposed Lease	Change
Area (square feet)	30,507	30,507	None
Term	Five years (6/1/2010-5/31/2015)	Seven years upon Board adoption.	+ Two years
Annual Rent	\$647,969 (\$21.24/sq.ft.)	\$1,043,340 (\$34.20/sq.ft.)	+\$395,371 (+\$12.96/sq.ft.)
Base TI Allowance	Paint and minor alterations	Paint and minor alterations	None
Maximum Annual Rent	\$647,969 (\$21.24/sq.ft.)	\$1,043,340 <sup>(2)</sup> (\$3420 per sq.ft.)	+\$395,370 (\$12.96 per sq.ft.)
Cancellation	After the 48 <sup>th</sup> month, with 5 months notice	After the 60 <sup>th</sup> month, with 5 months notice	+12 months
Parking (included)	120 spaces	120 spaces	None
Option to Renew	One-five year option	One-five year option	None
Rental Adjustment	Consumer Price Index (CPI) capped at 5 percent	Annual step increases of 3 percent	-2 percent

## OFFICE OF THE ASSESSOR SPACE SEARCH – WEST DISTRICT SERVICE AREA

Laco	Facility Name	Address	Gross SQFT	Net SQFT	Ownership	Available SQFT
	LOS ANGELES AIRPORT	11701 S LA CIENEGA BLVD,				
X301	COURTHOUSE	LOS ANGELES 90045	292,000	157,380	FINANCED	none
	PUB LIB-CULVER CITY JULIAN DIXON	4975 OVERLAND AVE,				
5708	LIBRARY	CULVER CITY 90230	21,406	17,364	OWNED	none
		6101 W CENTINELA AVE,				
A071	PH-WEST DISTRICT OFFICE	CULVER CITY 90230	8,912	8,466	LEASED	none
		HILLS BUSINESS PARK,				
A430	ASSESSOR-WEST DISTRICT OFFICE	CULVER CITY 90230	30,507	27,456	LEASED	none
		4130 OVERLAND AVE,				
3776	CULVER CITY COURTHOUSE	CULVER CITY 90230	21,568	11,543	OWNED	none
	INGLEWOOD JUVENILE	110 E REGENT ST,			STATE AND	
3394	COURTHOUSE	INGLEWOOD 90301	21,538	13,371	COUNTY LA	none
		1 E REGENT ST,			STATE AND	
6330	INGLEWOOD COURTHOUSE	INGLEWOOD 90301	140,673	89,483	COUNTY LA	none
	DPSS-MEDICAL INGLEWOOD	9800 S LA CIENEGA BLVD,				
A242	OFFICE/PUBLIC HEALTH	INGLEWOOD 90301	59,069	56,116	LEASED	none
	PH-CURTIS TUCKER PUBLIC HEALTH	123 W MANCHESTER BLVD,				
5933	CENTER	INGLEWOOD 90301	28,734	16,828	OWNED	none
	PROBATION-(AB-109)WEST LOS	11151 MISSOURI AVE,				
A219	ANGELES REG OFFICE	WEST LOS ANGELES 90025	11,240	10,678	LEASED	none
	PUBLIC LIBRARY-NEW WEST	625 N SAN VICENTE BLVD,				
5465	HOLLYWOOD LIBRARY	WEST HOLLYWOOD 90069	32,000	30,400	GRATIS USE	none
	MALIBU ADMINISTRATIVE CENTER	23525 W CIVIC CENTER				
5681	and courthouse	WAY, MALIBU 90265	69,397	45,186	OWNED	none
	MALIBU ADMIN CENTER-FORMER	23525 W CIVIC CENTER				
5682	SHERIFF STATION	WAY, MALIBU 90265	23,774	13,186	OWNED	none
		1725 MAIN ST, SANTA			STATE OF	
3060	SANTA MONICA COURTHOUSE	MONICA 90401	122,988	97,110	CALIFORNIA	none
	SANTA MONICA COURTHOUSE -	1725 MAIN ST, SANTA			STATE OF	
A626	ANNEX	MONICA 90401	11,178	10,266	CALIFORNIA	none
	DPSS-AIRPORT/WESTSIDE GAIN	5200 W CENTURY BLVD,				
A378	REGION I OFFICE	WESTCHESTER 90045	50,147	47,640	LEASED	none
	BEACHES/HARBORS-	13837 FUI WAY, MARINA				
4835	ADMINISTRATION BUILDING	DEL REY 90292	14,126	8,848	OWNED	none

### AMENDMENT NO. 2 TO LEASE NO. 72440 OFFICE OF THE ASSESSOR

THIS AMENDMENT NO. 2 TO LEASE NO.72440 ("Amendment" or "Amendment No 2.") is made and entered into as of this 16th day of December 2014, by and between U.S. REIF SIC BRISTOL CULVER, LLC, a Delaware limited liability company ("Lessor") successor in interest to Fox Hills Business Park, L.P. a California limited partnership, and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee").

### RECITALS:

WHEREAS, on September 21, 1999, Lease No. 72440 was entered into by and between FOX HILLS BUSINESS PARK, L.P., as Lessor and the COUNTY OF LOS ANGELES, as Lessee to Lease No. 72440, for leasing of an agreed-upon approximately 30,507 rentable square feet of office space commonly known as (the "Premises") in the Building located at 6120 Bristol Parkway, Culver City, California (the "Building") for a term of ten (10) years from April 17, 2000 to April 16, 2010; and

WHEREAS, pursuant to AMENDMENT NO. 1 AND EXERCISE OF FIRST OPTION TO RENEW LEASE NO. 72440, dated June 1, 2010, the term of the Lease was extended for 5 years and is now scheduled to expire on May 31, 2015; and

WHEREAS, Lessor and Lessee now desire to further amend Lease No. 72440, as amended by Amendment No. 1 thereto (as so amended, the 'Lease " or "Lease No. 72440"), for the purpose of further extending the term of the Lease and modifying certain provisions of the Lease as set forth herein.

### AGREEMENT:

**NOW THEREFORE**, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, and agreeing to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 72440 as follows:

- 1. <u>Extension of Lease Term.</u> Paragraph 2 of the Lease, <u>TERM</u>, is hereby amended by the addition of Subsection G as follows:
- G. Extended Term. The term of the Lease is hereby extended for a period of seven (7) years ("Second Extended Term") commencing upon approval of this Amendment No. 2 by the Board of Supervisors (the "Second Extended Term Commencement Date"), but in no event sooner than June 1, 2015, and ending seven (7) years thereafter.
- 2. <u>Rent During Second Extended Term</u>. Paragraph 3 of the Lease, <u>RENT</u>, is hereby amended by the addition of Subsection C as follows:
- C. <u>Second Extended Term Rent.</u> Commencing on the Second Extended Term Commencement Date, Lessee agrees to pay as rent for said Premises the sum of EIGHTY SIX THOUSAND NINE HUNDRED AND FORTY FOUR AND 95/100 DOLLARS per month as set forth below, and which sum shall be subject to adjustment every twelve (12) months thereafter as set forth below.

### Second Extended Term

Year	Rate/Square Foot (MG)	Monthly Rent
1	\$2.85	\$ 86,944.95
2	\$2.94	\$ 89,553.30
3	\$3.02	\$ 92,239.90
4	\$3.11	\$ 95,007.09
5	\$3.21	\$ 97,857.31
6	\$3.30	\$100,793.03
7	\$3.40	\$103,816.82

Said rent shall be paid within 15 days after a claim therefor for each month has been filed by Lessor with the Auditor of the County of Los Angeles prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month.

Early Lease Cancellation During Second Extended Term. Paragraph 5 of the Lease, CANCELLATION, is hereby deleted from the Lease in its entirety, and is replaced with the following:

Lessee shall have the right to cancel the Lease at or any time after the sixtieth (60th) month of the Second Extended Term by giving Lessor no less than one hundred and fifty (150) days prior written notice of its intent to cancel, by letter from Lessee's Chief Executive Office.

Changed Addresses for Notices. The addresses for notices as set forth in Paragraph 15 of the 4. Lease, NOTICES, are hereby deleted from the Lease in their entirety, and are replaced with the following:

Lessor'	S	Addr	ess	for	Notice	:

U.S. REIF SIC Bristol Culver, LLC c/o The Swig Company, LLC 220 Montgomery Street 20th Floor San Francisco, CA 94104

With a copy to:

617 West 7th Street, Suite 504 Los Angeles, California 90017

Lessee's' Address for Notice:

Board of Supervisors

Kenneth Hahn Hall of Administration,

Room 383

500 West Temple Street

Los Angeles, California 90012

With a copy to:

Chief Executive Office Real Estate Division

222 South Hill Street, 3rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971

- 5. <u>Rental Adjustment.</u> Paragraph 28 of the Lease, <u>RENTAL ADJUSTMENT</u>, is hereby deleted from the Lease in its entirety.
- 6. <u>Preparation of Premises</u>. Paragraph 33, <u>PREPARATION OF PREMISES</u>, is hereby added to the Lease as follows:

Lessee acknowledges that it has been in possession of the Premises since the commencement of Lease No. 72440, and that Lessor shall be deemed to have delivered possession of the Premises to Lessee on the Second Extended Term Commencement Date in an "as-is" condition with no alterations or improvements being made by Lessor except for the following:

Lessor shall, at Lessor's cost, perform the work more particularly described in Exhibit A-1 attached hereto and incorporated herein by this reference. Lessor shall endeavor to perform all work within three (3) months of approval of this Amendment No. 2 by Lessee's Board of Supervisors, but in no event shall the work be completed later than nine (9) months after such approval of this Amendment No. 2 by the Board of Supervisors.

7. <u>Brokers.</u> Lessor and Lessee each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment No. 2 other than Madison Partners, and that each shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any other broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

Lessee shall receive from Lessor or Lessor's broker, within thirty (30) days after the execution of this Amendment No. 2 and following the submission of an invoice to Lessor, an amount equal to two percent (2%) of the gross consideration of the Amendment No. 2 for the noncancelable portion of the Second Extended Term, (the first sixty (60) months of the Second Extended Term) as commissions due to Lessee as a result of the execution of this Amendment No. 2. If Lessee does not terminate this Lease after the 60<sup>th</sup> month of the Second Extended Term, a commission of one percent (1%) of the monthly gross consideration paid by Lessee after the 60<sup>th</sup> month of the Second Extended Term shall be determined and shall be paid semi-annually to Lessee, following the submission of an invoice to Lessor, for the remainder of the seven-year Term, or until Lessee terminates this Lease, whichever occurs first.

- 8. <u>California Civil Code Section 1938</u>. In accordance with Section 1938 of the Civil Code of the State of California, Lessor hereby states that the Premises have not undergone inspection by a Certified Access Specialist.
- 9. <u>Lease in Full Force</u>. Notwithstanding anything to the contrary herein, all of the terms and conditions contained in the Lease, which are not modified by this Amendment No.2 shall remain in full force and effect. In the event of a conflict between the Lease and this Amendment No. 2, the terms of this Amendment No.2 shall control.

IN WITNESS WHEREOF this Amendment No. 2 has been executed the day and year first above set forth.

LESSOR:

### U.S. REIF SIC BRISTOL CULVER, LLC, a

Delaware limited liability company

By: U.S. REIF SIC BRISTOL CULVER VENTURE, LLC, a Delaware limited liability company, its sole member

By: SIC-BRISTOL CULVER, LLC, a Delaware limited liability company, its manager

Its: Chief Investment Officer

LESSEE:



ATTEST:

PATRICK OGAWA

Acting Executive Officer-Clerk of the Board of Supervisors

By:

Deputy

APPROVED AS TO FORM:

Mark J. Saladino County Counsel

By:

Deputy

COUNTY OF LOS ANGELES

a body politic and corporate

By: Michael D. Antonovich

Mayor, Board of Supervisors

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DEC 1 6 2014

ACTING EXECUTIVE OFFICER

### **EXHIBIT A-1**

### BASE TENANT IMPROVEMENTS/PREPARATION OF PREMISES

Lessor, at Lessor's sole cost and expense, shall perform the following Tenant Improvements in the Premises ("Tenant Improvements"), utilizing Lessee's current standard grade quality, make, style, design, colors, materials and construction methods for the Building, as applicable.

### 1. Paint:

- A. Paint existing interior spaces (walls, doors, and trim). In particular the Lobby area and interview rooms, public restrooms (including restroom panels), elevator lobbies, and where needed.
- B. Provide one base color, and four accent colors.
- C. Specify Dunn Edwards, or approved equal.
- D. Final selection to be approved by County space planner.
- E. Walls that are behind cubicles, filing cabinets or millwork need not be painted. Lessee will remove all items from walls prior to painting including memos, tape, pictures and personal property, but Lessor will remove and reinstall bulletin boards, white boards, and similar wall items.
- 2. <u>Carpet</u>: Clean and spot treat carpet, replace or repair any damaged or lifting carpet tiles. Replace carpet in the two stairwell areas. Lessee to select building standard carpet.
- 3. Vinyl Flooring: Strip and wax, replace where needed.
- 4. <u>Janitorial</u>: Provide improved services especially in the lobby/reception area, and restrooms.
- 5. Acoustic Ceiling Tiles: Replace all stained/damaged ceiling tiles, if any.
- 6. <u>Air Balance</u>: Throughout leased premises, as needed.
- 7. <u>Plumbing</u>: Repair as needed Men's and Women's restroom fixtures and concealed plumbing.
- 8. <u>Interior Door</u>: Repair closing mechanism or replace door which does not close properly.
- 9. <u>Miscellaneous Other</u>: ADA barriers as approved by Lessor. Replace corner guards where needed after painting the premises (use ½ inch brushed aluminum corner guards from floor to ceiling, to replace existing plastic corner guards).

Lessor and Lessee hereby agree to cooperate with the other party and exercise reasonable, good faith efforts to coordinate the timing and planning of the Tenant Improvement work. Lessor agrees to perform any disruptive interior related improvements before 7:00 a.m. or after 5:00 p.m. Monday through Friday or on the weekends, or a combination thereof, so as not to disrupt ongoing business operations of the Lessee. Items 1, 2 and 3 will be performed after business hours.